

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE ESTABLISHMENT)	
OF A DUAL PARTY RELAY SERVICE FOR THE)	ADMINISTRATIVE
HEARING IMPAIRED WITHIN THE COMMONWEALTH)	CASE NO. 333
OF KENTUCKY)	

O R D E R

On April 25, 1990, the Commission entered an Order initiating an investigation into the provision of dual party relay telecommunications service ("DPRS") for hearing-impaired or speech-impaired persons in Kentucky and requesting that interested parties file preliminary information pertinent to the provision of DPRS. As of this date, the Commission has received requests and granted intervention status to 35 parties including telecommunications utilities, hearing or speech-impaired individuals, organizations representing the hearing/speech-impaired community, churches, and other concerned individuals and organizations.

The Commission plans to issue a request for proposal ("RFP") in order to receive bid proposals from vendors for the establishment and implementation of DPRS in Kentucky. Prior to actually issuing the RFP for bid proposals, the Commission would like to receive the parties' comments on the content of the RFP to be issued. A copy of the draft RFP is attached hereto and incorporated herein as Appendix A.

IT IS THEREFORE ORDERED that:

1. All parties wishing to comment or offer suggestions as to the content of the attached draft RFP shall file their comments with the Commission within 30 days of the date of this Order.

2. All parties shall also file, within 30 days of the date of this Order, proposals for the appropriate funding mechanism which meet the following requirements:

(a) The law mandates that the telecommunications industry shall not be required to absorb the cost of funding the dual party relay service.

(b) The law allows that the Commission may use assistance from public agencies of the state or federal government or from private organizations to accomplish the purposes of implementing DPRS.

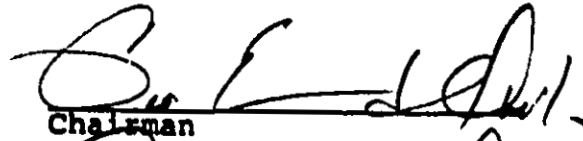
(c) The funding proposal shall not include the Commission as trustee or active participant in the administration of funds.

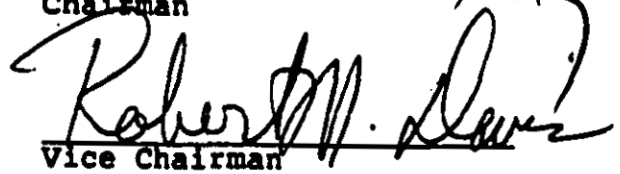
(d) Additionally, any proposal shall specify the source of the funds and the pooling mechanism to be used to collect and disburse funds to the vendor.

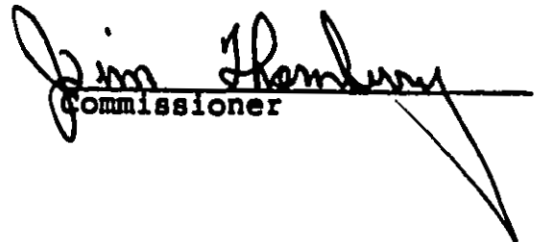
3. Any party filing comments with the Commission shall also send a copy of their comments to all persons on the attached service list marked Appendix B.

Done at Frankfort, Kentucky, this 22nd day of August, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

**APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN ADMINISTRATIVE CASE NO. 333 DATED 8/22/90**

COMMONWEALTH OF KENTUCKY

PUBLIC SERVICE COMMISSION

REQUEST FOR PROPOSAL

FOR A DUAL PARTY RELAY TELECOMMUNICATIONS SERVICE

PROPOSALS TO BE CONSIDERED MUST BE RECEIVED BY

4:00 p.m. EST

KEY DATES

Proposals Due Date:

Selection of Vendor: By

Operation Date: On or Before October 1, 1991

TABLE OF CONTENTS

1.0 INTRODUCTION

2.0 SERVICE SPECIFICATIONS

3.0 INFORMATION REQUIRED FROM VENDOR

4.0 CONDITIONS

1.0 INTRODUCTION

- 1.1 PURPOSE - This Request For Proposal ("RFP") provides interested vendors with the information necessary to prepare and submit proposals to the Kentucky Public Service Commission ("PSC") to provide statewide Dual Party Relay Telecommunications Service ("DPRS"). The purpose of DPRS is to provide hearing-impaired and speech-impaired individuals equivalent communications access to normal hearing and voice-capable persons. The DPRS will enable a deaf, hearing-impaired or speech-impaired individual to communicate with a hearing and/or speech-capable person via a Telecommunications Device for the Deaf ("TDD"), a Teletypewriter ("TTY"), Personal Computer ("PC") or any other automated device (a potential enhancements of existing equipment), with the assistance of specially trained operators.
- 1.2 AUTHORITY - This service is being established pursuant to the provisions of House Bill 20 of the 1990 General Assembly of the Commonwealth of Kentucky.
- 1.3 DESCRIPTION - The General Assembly enacted establishment of DPRS to provide the hearing-impaired and speech-impaired

access to the telecommunications network equal to that provided to hearing and voice-capable individuals. The legislature specified that the DPRS shall be in operation no later than October 1, 1991. Furthermore, it required the PSC to file a report no later than July 1, 1991 with the Legislative Research Commission regarding the establishment and implementation of DPRS.

1.4 PROPOSALS - Bid proposals shall be evaluated based upon the vendor's ability to meet or exceed all technical, service, quality, and other requirements as outlined in this RFP. The PSC reserves the right to reject any or all proposals made pursuant to this RFP or to negotiate with any and all respondents to this RFP. There is no assurance, expressed or implied, that an award will necessarily be made pursuant to this RFP. This RFP shall not give any right to any respondent for indemnification claims. Response to RFP implies constituted agreement with RFP conditions.

1.5 SUBMISSION DATE - To be considered for selection, the original and 15 copies of the vendor's complete formal response to this RFP must arrive by the 4:00 p.m. EST on , 1990 at the following address:

Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

- 1.6 QUESTIONS - All format and procedural questions pertaining to this RFP shall be directed in writing to the Executive Director at the above address.
- 1.7 FORMAT - The format of the vendor's proposal shall follow requirements set forth in Sections 2 and 3. Proposals shall also indicate whether there are any deviations from specified requirements. All responses shall be valid and binding for ninety (90) days.
- 1.8 COST OF RFP - The vendor shall be responsible for all costs incurred in preparation of a response to this RFP.
- 1.9 DECISION - The PSC shall select three finalists for oral presentations. The PSC shall render a decision awarding the bid on or before _____. The length of the contract period will be five (5) years. After the first four (4) years of service, the PSC shall review the service for renewal purpose.
- 1.10 INFORMATION - The information and requirements set forth in this RFP shall not be construed as complete specifications but only descriptions of end results.

2.0 SERVICE SPECIFICATIONS

2.1 GENERAL REQUIREMENTS - DPRS shall be designed to provide relay service for all Kentucky exchanges at all times 24 hours a day, 7 days a week, 52 weeks a year. Callers utilizing DPRS shall be able to place and receive calls through DPRS from their primary locations and locations other than their primary locations and shall be able to utilize alternate billing arrangements.

The DPRS shall be capable of accepting TDD/TTY communications using either ASCII or Baudot code. The DPRS operator center shall be accessed via a toll-free number.

Whether the vendor leases or buys the equipment used in DPRS, the vendor shall provide the latest advancements in technology that can provide a cost-effective service without decreasing quality of service. Additionally, the vendor shall make use of features that will assist the relay operator in relaying conversations as quickly as possible.

The vendor shall provide the following basic services for local and intrastate toll calls:

A. Accept a call from a TDD, TTY or computer-equipped caller, place a call to a hearing and voice-capable individual and then translate electronic messages to voice messages and

voice messages to electronic messages in order to complete the communications link.

B. Accept a call from a hearing and voice-capable caller, place a call to a TDD, TTY, or computer-equipped individual and then translate voice messages to electronic messages and electronic messages to voice messages in order to complete the communications link.

C. At the request of a customer, the relay center shall also have the capability to allow the hearing-impaired customer with voice abilities to speak directly to a hearing customer, and the speech impaired customer with hearing abilities to listen directly to the speaking customer.

2.2 SCOPE - Types of calls to be provided by the DPRS are incoming and outgoing intrastate calls including non-coin sent paid, third number, calling card and collect calls. The DPRS shall provide access to the telecommunications network functionally equivalent to that of other users; however, it is not practicable and therefore not required to include 900 or 976 calls.

The DPRS shall not duplicate any interstate relay services. However, the DPRS shall be capable of accommodating any interstate relay service that may be authorized and funded

through federal jurisdiction or may be offered as a service enhancement by the vendor.

The DPRS shall not provide directory assistance; however, the relay operator shall refer any requests from a TDD caller for directory assistance to the toll-free TDD Directory Assistance number.

2.3 COMPONENTS OF DPRS - DPRS shall have the following capabilities:

- A. Switching and transmission of the call.
- B. Oral and print translations by either live or automated means between hearing-impaired and/or speech-impaired individuals who use TTY, TDD, computers, or similar automated devices and those who do not have such equipment.
- C. Sufficient operators and facilities to meet the grade and quality of service standards described in this RFP.
- D. Appropriate procedures to handle emergency calls.
- E. Confidentiality regarding existence and content of conversation.

- F. Methods of accessing and being accessed by computers of up to and including 300 baud via ASCII codes, and up to 1200 baud if technically feasible.
- G. Methods of providing sufficient information to allow calls to be accurately billed.
- H. Methods of providing for new technological features including hearing carryover and voice carryover, and other features as they become available.

2.4 PROVISION OF FACILITIES - The vendor shall supply a complete description of how it will comply with the components of DPRS to include but not be limited to the following:

- A. Relay center building, real estate, furniture, office equipment, telecommunications, and other facilities and equipment.
- B. All telecommunications trunks, cable or lines required to be connected to the relay center in order to receive or to initiate telecommunications.
- C. All staff and operations personnel and the training of such personnel.

D. Maintenance of records so as to permit the review and determination of relay service results.

E. Creation of billing records for each relay assisted call including: telephone number or credit card number to be billed, terminating telephone number, date, start time of call, ending time of call.

2.5 NETWORK CONFIGURATION - The vendor shall explain the type of equipment and staffing requirements necessary to meet the service standards and handle the type of calls and projected call volumes as detailed in this RFP.

The proposal shall contain a description of the network configuration to be used to provide DPRS including how calls will access the service and how the vendor will handle the traffic. All necessary schematics shall be included. The proposal shall also include a description of the vendor's capability, if any, to provide DPRS through connection with a regional relay center and the network configuration necessary to provide DPRS through such regional relay center.

2.6 RATES AND CHARGES - Calls placed through the DPRS shall be billed to the users of the DPRS at the same rate that would apply if the calls had been placed without the use of the relay operator.

A. Local calls

Relay calls in which the called and calling parties originate and terminate within the same toll-free local calling area shall result in no charge to the users.

B. Intrastate Long-Distance Calls

Calls that would normally result in intraLATA or interLATA toll rates shall be billed to the calling party at an effective rate no higher than the tariffed rates.

2.7 SERVICE STANDARDS - The vendor shall, at a minimum, meet the following system service standards:

- A. There shall be no restrictions on length or number of calls placed by customers through the relay center.
- B. Under normal circumstances, no more than one call in 100 shall receive a busy signal when calling the relay center.
- C. The DPRS shall be provided through one statewide relay center located within the Commonwealth of Kentucky unless an out of state location can be provided at a cost savings.

- D. The DPRS shall be designed to handle 15,000 intrastate relay calls per month with capabilities to expand facilities, as traffic requires, up to 40,000 per month.
- E. After reaching the relay center, 90 percent of all calls shall be answered by the relay center within eight (8) seconds during all times of the day. The average answer time shall not exceed three (3) seconds.
- F. Relay transmission circuits shall meet or exceed interexchange performance standards for circuit noise and loss.
- G. The DPRS shall be able to accept communications transmitted in either ASCII or Baudot codes.
- H. The vendor shall be responsible for obtaining the proper call information for billing purposes and creating billing records for each relay-assisted call.
- I. The DPRS vendor shall provide alternate power and equipment in order to ensure service reliability and integrity.

2.8 PROCEDURES AND POLICY MANUAL - It is essential that the relay operators possess good typing, spelling, customer service, and deaf sensitivity skills. The vendor shall provide

documentation detailing methods and procedures, training guidelines and confidentiality codes to enforce the operator standards outlined below:

- A. Operators shall be required to pass a typing skills test with a minimum of 60 words-per-minute.
- B. Operator training shall include an orientation to deaf culture, American Sign Language ("ASL"), ASL to standard English translation and TDD etiquette. Vendor shall also include any proposal to provide multilingual operators.
- C. Operators shall be required to maintain the confidentiality of each relayed conversation and shall strictly adhere to the secrecy of communications.
- D. Written and electronic scripts of relay calls shall not be maintained by the center. Any recorded or printed conversation of customers shall be destroyed within 24 hours.
- E. Operators shall not be required to make any value judgments regarding the message content.
- F. Operators should not be subject to criminal prosecution for relaying any message and should not be held legally responsible for errors due to transcription, transmission

or transliteration. The vendor shall provide liability insurance for the relay operators.

G. Relay Service operators shall not counsel, advise or interject personal opinions or add information into any communication.

2.9 REPORTING REQUIREMENTS - The vendor shall be responsible for maintaining all records and reports relating to the operation of the relay center. Such reports shall include, but are not limited to, traffic studies detailing:

A. Blockage rates (number of calls reaching a busy signal when calling the Relay Center).

B. Number of calls in queue.

C. Length of time in queue.

D. Percentage of calls originated by TDD/TTY users versus hearing and voice customers.

E. Average speed of answer.

The vendor shall also be responsible for maintaining the accounting and financial records which include the expenses incurred in operating the relay center. These records and

reports shall be subject to audit. The vendor shall file monthly reports with the PSC on compliance with service standards specified in this RFP. The vendor may be required to furnish additional reports to the PSC regarding the center's operation.

2.10 SERVICE ENHANCEMENTS. - Carriers submitting proposals to provide DPRS may propose enhancements to the basic service described above. These enhancements may include, but shall not be limited to, the following:

- A. Interstate calling capability. The carrier's cost of providing any such interstate service shall be calculated by the carrier in accordance with the Federal Communications Commission Rules regarding separation of interstate and intrastate costs.
- B. Service to users of foreign languages other than ASL.
- C. Establishments of a TDD distribution program for leased TDD, and other adaptive equipment.

3.0 INFORMATION REQUIRED FROM VENDOR

3.1 SERVICE PROVIDER QUALIFICATIONS - Each vendor, in its response to this RFP, shall provide documents and other

information necessary to allow the PSC to evaluate the ability and fiscal integrity of the vendor to deliver the proposed.

3.2 PREVIOUS EXPERIENCE - Each vendor shall include a complete and descriptive history of any prior experience in providing proposed services. This history shall include a copy of any brochures publicizing the service, any publicly available information regarding cost of the service, and statistics on call volumes, call duration, and toll percentage. The vendor shall also supply the names, titles and telephone numbers of references from other states utilizing the vendor's dual party relay services.

3.3 FINANCIAL INFORMATION - The proposal shall contain the following:

A. The most recent Annual Report of the vendor and its parent company.

B. Any investment advisory and rating agency reports issued during the past year about the vendor and its parent company.

3.4 QUOTATION OF PRICES - The vendor shall quote prices for the DPRS based on the cost of providing the service. The vendor shall quote the best and final offer that the vendor is

willing to accept for providing the required services. Prices shall be based on average month call volumes as described in paragraph 3.5, and rates as described in Section 2.0. Prices shall be provided for each of the following categories:

- A. Start-up Expenses. Based on call volumes set forth in Section 3.5, include all non-recurring costs incurred prior to the relay center becoming operational, including but not limited to: promotional material, design and planning of facilities, pre-purchase down payments, procurement of facilities, hiring and training of attendants, building renovation, installation, and testing of equipment and facilities.
- B. Recurring Charges attributable solely to Relay Service shall include, but are not limited to: building rent, maintenance and utilities, carrying and maintenance charges for furniture, office equipment and telecommunications equipment, advertising, service management, billing and collection, wages, salaries and benefits for attendants, miscellaneous; office expenses such as supplies, postage, delivery; miscellaneous staff management expenses such as travel and education; relay center management staff and other overhead expenses.

C. The vendor shall quote the lowest profit margin that it would be willing to accept for providing the required services. Such profit margin shall be quoted as a percentage of costs directly attributable to the provision of DPRS during the period of the contract. Direct costs shall not include any allocation of overhead costs unless such costs can be shown to have been directly increased as result of providing DPRS pursuant to this RFP.

3.5 COST ANALYSIS - Recurring and non-recurring prices shall be based on the following two scenario criteria:

A. Twelve months of operation with an average call duration of 7 minutes and average calling volumes of 15,000 calls per month.

B. Twelve months of operation with an average call duration of 7 minutes and average calling volumes of 40,000 calls per month.

The vendor shall include cost information in the format presented on pages 21 and 22.

3.6 ALTERNATE USAGE PROJECTIONS. - If the vendor has reason to believe that call volumes, call duration, or percentage of toll usage will be amounts other than those used in the

assumptions in this RFP, it shall indicate what those projections are, provide justification for such projections, and provide cost estimates based on those projections. Additionally, vendors shall indicate whether there are certain other specific breakpoints that would cause costs to be significantly higher or lower than the trends that can be observed from analyzing the completed cost matrices.

- 3.7 COMPENSATION TO THE VENDOR - The vendor shall be compensated for providing DPRS at the rates, terms, and conditions established in its contract with the Public Service Commission. The relay vendor will be reimbursed for costs specifically incurred as a result of providing DPRS that are not included in standard utility rates and charges. These costs may include a return on investment required to provide service and the cost of unbillable and uncollectible calls placed through the service, provided that the cost of unbillable and uncollectible calls shall be subject to a reasonable limitation as determined by the Public Service Commission, after reviewing such costs.

The vendor's proposal shall specify the terms and conditions of compensation under which it is willing to provide the service.

4.0 CONDITIONS

4.1 INDEPENDENT PRICE DETERMINATION - By submission of a proposal the vendor certifies the following:

- A. Prices in the proposal have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other vendor or with any competitor.
- B. Unless otherwise required by law, the prices that have been quoted in the proposal have not been knowingly disclosed by the vendor and will not knowingly be disclosed by the vendor prior to award directly or indirectly to any other vendor or to any competitor.
- C. No attempt has been made or will be made by the vendor to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.

4.2 TERMINATION - The contract may not be terminated except by specific prior approval of the Commission. The Commission may terminate the contract for failure to perform in

accordance with the contract. The period of required notice and the grounds for termination shall be specified in the contract.

- 4.3 DISCLOSURE OF PROPOSAL CONTENTS. - The contents of any proposal in response to this RFP shall be confidential and shall not be disclosed to anyone other than the Public Service Commission and its staff until a contract selection is made. Each proposal shall be delivered in a sealed envelope. Upon selection of a proposal by the Commission, the proposal of the contractor selected to perform the service and the proposals of all unsuccessful contractors shall be made available for public inspection.

For any portions of proposals which applicants wish to maintain confidentiality, applicants shall note clearly which narrative sections and/or analyses are requested to be kept confidential. For each requested instance of confidentiality, the applicant must cite the appropriate exception from the Kentucky Open Records Act (KRS 61.878), and applicant shall state why the sections and/or analyses meet the exceptions of the Kentucky Open Records Act. Such explanation should be presented in a sworn affidavit attached to the RFP.

4.4 REQUESTING ADDITIONAL INFORMATION - The Public Service Commission reserves the right to request additional written data, information, oral discussion or presentation to support any written proposal or to clarify any aspect of any proposal.

4.5 ADDITIONAL INFORMATION AND COMMENTS - Proposals shall include any other information that a vendor believes to be pertinent but that is not specifically requested elsewhere.

TOTAL ANNUAL COSTS

Projected Call Duration: 7 Minutes

Average Calls Per Month

15,000

40,000

RECURRING COSTS

Represents the anticipated
monthly costs for operating
the center.

Total Recurring Costs

START-UP COSTS

Represents the non-recurring
costs incurred prior to the
opening of the center.

Total Start-Up Costs

TOTAL ANNUAL COSTS

TOTAL ANNUAL COSTS

Projected Call Duration: 7 Minutes

Average Calls Per Month

Basic Costs

Access Costs

**Relay Center
Operating Costs**

**Cost of 1200 baud
accessibility**

Added Features

**(Name each and list
cost separately)**

TOTAL ANNUAL COSTS

**PROJECTED TOLL REVENUES
(50% CUSTOMER SHARE)
BASED ON CURRENT RATES**

**PROJECTED TOLL REVENUES
(50% CUSTOMER SHARE)
BASED ON PROPOSED RATES
(If different from current)**

APPENDIX B

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APPENDIX B

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